



**DIVISION OF
FINANCIAL AND
ADMINISTRATIVE SERVICES**
**Special Education Finance
101**

**New Director's
Academy**

July 2013

Missouri Department
of Elementary and Secondary Education

STAFF

CONTACT INFORMATION

Angie Nickell
Director

angie.nickell@dese.mo.gov
(573) 751-4385

Gary Sanders
Assistant Director

gary.sanders@dese.mo.gov
(573) 526-5283

Michael Dierking
Supervisor

michael.dierking@dese.mo.gov
(573) 522-2523

Cathy Mendez Roca
Data Specialist

cathy.mendezroca@dese.mo.gov
(573) 751-0623

John Underwood
Data Specialist

john.underwood@dese.mo.gov
(573) 751-6904

Lindsay Thomas
Administrative Assistant

lindsay.thomas@dese.mo.gov
(573) 751-0622

Regional Contacts ECSE and Part B

County District Codes 001-090 through 050-014 and 096-119, 115-115

Cathy Mendez Roca

cathy.mendezroca@dese.mo.gov

Phone: (573) 751-0623

Fax: (573) 526-6898

County District Codes 051-150 through 347-347 and 048-078 (excluding 096-119 & 115-115)

John Underwood

john.underwood@dese.mo.gov

Phone: (573) 751-6904

Fax: (573) 526-6898



Topics

- ☐ Special Education Funding
- ☐ Special Education Payment Information
- ☐ Special Education Expenditure Coding
- ☐ Part B IDEA Funds
- ☐ Electronic Planning Electronic Grants (ePeGS)
- ☐ Business Rules
- ☐ Schoolwide Pooling
- ☐ Cooperatives
- ☐ Special Purpose Funds
- ☐ Local Tax Effort (LTE)
- ☐ Early Childhood Special Education (ECSE)
- ☐ Fiscal Monitoring



Special Education Finance Web Page

<http://dese.mo.gov/divspeced/Finance>



SELS Messages

- ❑ Special Education Listserve messages
- ❑ SELs2
 - ▣ Open to anyone wanting to subscribe
 - ▣ Subscribers receive the exact same messages as subscribers to SELs
 - ▣ Those interested in subscribing to SELs2 can do so by going to the following website:
http://dese.mo.gov/divspeced/sels2_subscribe.html

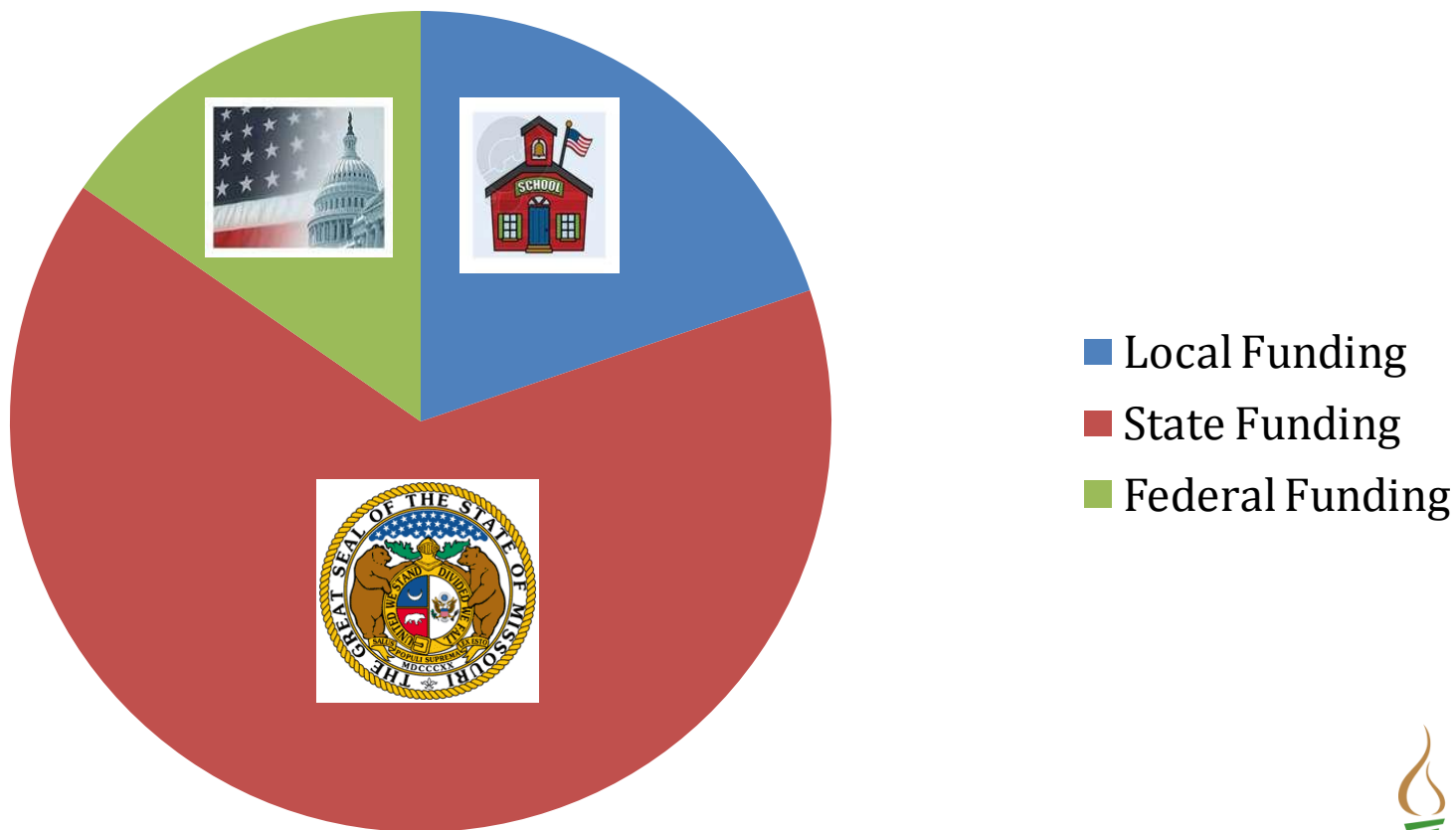


Special Education Funding



Special Education Funding

Special Education Program Funding



Funding Sources — Revenue Codes

Funds are assigned a Revenue Code to indicate the Fund Source:



Local: 51xx, 52xx, 58xx



State: 53xx



Federal: 54xx



Local Funding

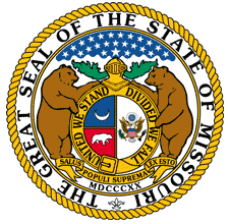


Sources may include:

Description	Revenue Code
City Sales Tax	5117
Premium on Bonds Sold	5143
Proposition C	5113
Tuition from other LEAs Regular Term	5811
Gifts	5192



State Funding



Sources may include:

Description	Revenue Code
Basic Formula – State Monies	5311
Transportation State Aid	5312
Early Childhood Special Education – State	5314
High Need Fund - State	5381
Public Placement Fund	5369



State Special Education Funding



\$149 million State Monies
included in Basic Formula.

LEA determines actual amount
needed for Special Education.



State Special Education Funding



State Funding formula changed in 2006-07 (FY07) which removed a separate state categorical payment for Special Education.

Change allows LEAs to determine the amount needed to run Special Education program and meet Maintenance of Effort (MOE) requirement.



Federal Funding



Sources may include:

Description	Revenue Code
IDEA Part B (611) Entitlement	5441
IDEA Grants (NOT Entitlement): Statewide Collaborative, SWIS, SET, High Need Fund, etc	5437
Non-IDEA Special Education Grants	5438
Early Childhood Special Education – Federal	5442
Medicaid	5412



Special Education Payment Information

Tracking Payments From DESE



DESE Monthly Payment Transmittals

Revenue Code	Revenue Name	CFDA Number	Organization Making Payment	Monthly Payment	Payment to Date
5311	Basic Formula - State Monies		Admn & Fin- Administrative Svcs	\$3,020,241	\$34,754,671
5314	ECSE - Prior Year		IDEA	\$479,909	\$1,704,955
5381	Sp Ed High Need Fund-State		IDEA	\$144,366	\$144,366
5441	Special Education Part B Entitlement	84027A	IDEA	\$792,000	\$3,389,918
5442	ECSE – Current Year	84027A	IDEA	\$284,917	\$423,567
5437	Special Education Sec. Trans	84027A	IDEA	\$28,825	\$28,825

Finding Payment Transmittals

1. Go to DESE Web Applications
2. Click on School Finance
3. Enter County District Code
4. Select District/LEA
5. Click on Payment Transmittal
6. Select Year
7. Select Month



DESE Audit Confirmation

Project or Grant	Revenue Code	CFDA Number	Amount	Totals
Basic Formula - State Monies	5311		\$3,020,241	\$3,020,241
ECSE - Current Year			\$479,909	\$479,909
Special Education Part B Entitlement	5381		\$144,366	\$144,366
Special Education Part B Entitlement	5441	84027A	\$792,000	\$792,000
ECSE – Current Year	5442	84027A	\$284,917	\$284,917
Special Education Part B IDEA – ARRA	5493	84391A	\$28,825	\$28,825

Finding Audit Confirmations

1. Go to DESE Web Applications
2. Click on School Finance
3. Enter County District Code
4. Select District/LEA
5. Click on Reports
6. Select Year
7. Select Month of June
8. Click on Audit Confirmation Report



Special Education Expenditure Coding

INFORMATION FOR YOUR BOOKKEEPER

Missouri Financial Accounting Manual

http://dese.mo.gov/divadm/finance/acct_manual/CompleteAccountingManual.html



Expenditure Function Codes

The Function Code describes the function, purpose or program for which activities are performed to accomplish the objectives of the school district.



2013-14 Function Codes

Description	Function Code
Special Education and Related Services	1221
Coordinated Early Intervening Services	1223
Proportionate Share Services	1224
Tuition, Severely Disabled Program Within the State	1931
Professional Development	2200
Transportation and Maintenance	2500
Facility Acquisition and Construction	4000
ECSE Transportation (MOE only*)	2559
All other ECSE Services (MOE only*)	1280



Special Education Function Codes

1221 – Special Education and Related Services

Instruction specially designed to meet the unique needs of a child with a disability and other such developmental, corrective and supportive services as required by the child's Individualized Education Program (IEP) through the Individuals with Disabilities Education Act (IDEA). (Includes Homebound Instruction for students with IEP's.)



Special Education Function Codes

1223 – Coordinated Early Intervening Services (CEIS)

Programs supported with IDEA funds for students in grades K-12 who need additional academic support to succeed in their general education environment, but who have not been identified as needing special education services.



Special Education Function Codes

1224 – Proportionate Share Services

Programs and services supported with IDEA funds for home schooled and parentally-placed private/parochial school students with disabilities. This code may **only** be used to record those expenditures made to meet the requirements of 34 CFR 300.132-300.144 and Appendix B to Part 300 for the above stated services.



Special Education Function Codes

1931 – Tuition, Severely Disabled Program Within the State

Tuition paid to state institutions approved by the Department's Office of Special Education. For ePeGs purposes, tuition paid to out of state institutions or private institutions outside of the state approved by the Department's Office of Special Education will also be included under 1931.



Expenditure Object Codes

The object code identifies the service or commodity obtained and is based on how a particular expenditure is paid out or is planned to be paid out.



Object Codes

Description	Object Code
Certificated Salaries	6100
Non-Certificated Salaries	6150
Employee Benefits	6200
Purchased Services	6300
Materials and Supplies	6400
Capital Outlay (including equipment)	6500





Separate Tracking

LEAs must track their federal special education expenditures separately from their state/local special education expenditures.

☐ **EDGAR 76.730**

- Records shall be kept that fully show the amount of Federal funds received and how the funds are expended.

☐ **EDGAR 80.20**

- A grantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds.

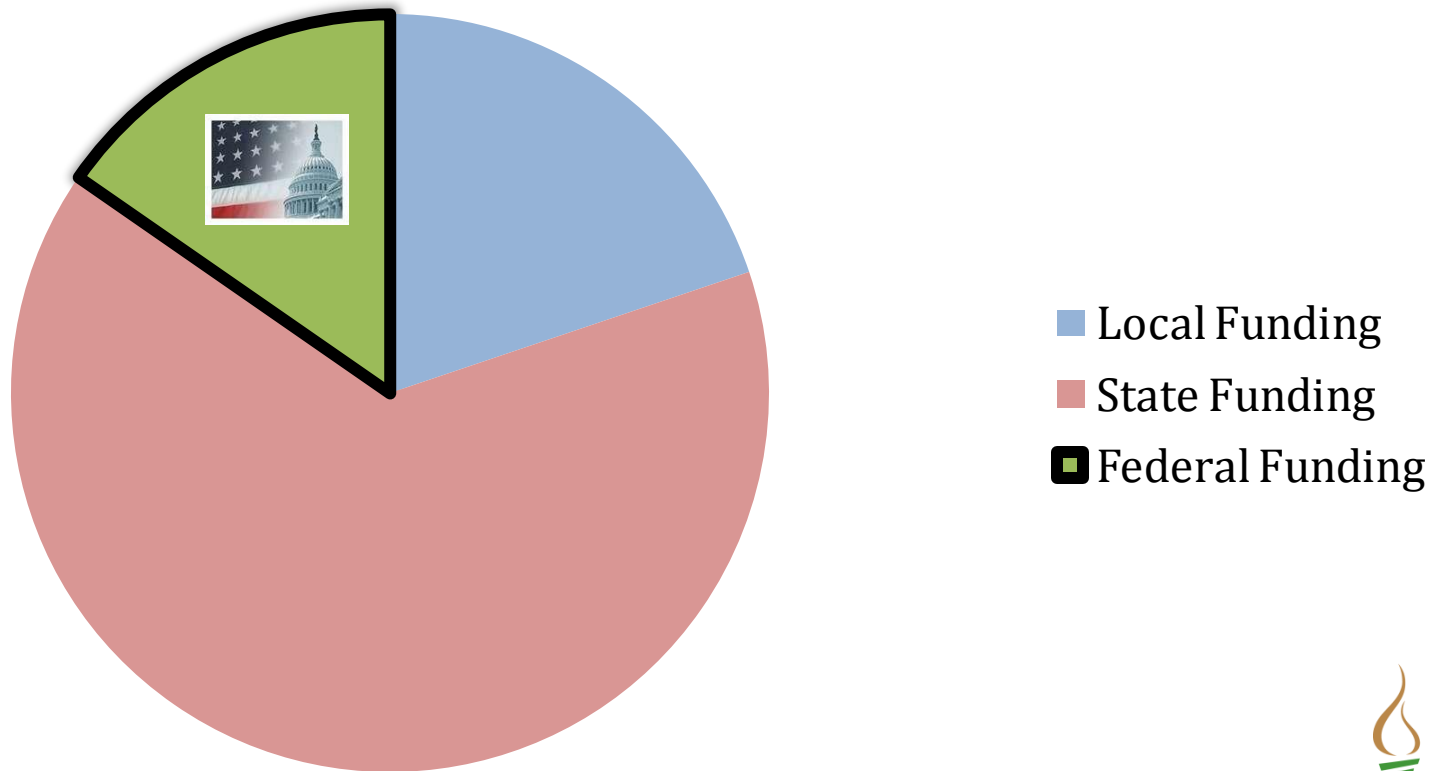
☐ **MO Financial Accounting Manual**

- Federal funds generally require separate identification and reporting within the LEA's audit report.



Separate Tracking

Special Education Program Funding Separate Tracking





Separate Tracking

WHY?

To ensure expenditures meet IDEA and other federal requirements.

- ❑ Track staff paid with Part B funds in order to complete OMB A87 Time Reporting Requirements
- ❑ Track equipment in order to comply with EDGAR Equipment Management and Inventory Requirements
- ❑ Track procurement to determine if the LEA is following purchasing policy and procurement rules
- ❑ Maintenance of Effort (MOE) calculation will be more accurate
- ❑ Help the LEA determine Part B payment request and FER amounts and prevent overpayments
- ❑ Ensure compliance with the Cash Management Improvement Act (CMIA)



Expenditure Source

QUESTION:

How can a LEA track State, Federal, and Local expenditures?

ANSWER:

You have **three** options:

1. Use Source/Project Codes (**Preferred Method**)
2. Use Expenditure Descriptors
3. Use Varying Function Codes



Source/Project Code Option

Examples:

- 41 – Federal IDEA Part B Entitlement Funds
- 42 – Federal Statewide Collaborative Improvement Grant
- 10 – State Special Education Funding



MO Accounting Code Structure

Fund-Function-Object-Project (if applicable)

Example:

Fund	Function	Object	Project
111	1221	6100	41

http://dese.mo.gov/divadm/finance/acct_manual/documents/sf-CAccountingCodeOverview_000.pdf



Source/Project Code Option

Special Education Teacher paid with Part B funds:

1221-6100-41	SE Teacher Salaries	\$5,000.00
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Special Education Teacher paid with State funds:

1221-6100-10	SE Teacher Salaries	\$5,000.00
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Expenditure Descriptor Option

Special Education Teacher paid with Part B funds:

1221-6100 SE **Federal** Teacher Salaries \$5,000.00

Special Education Teacher paid with State funds:

1221-6100 SE **State** Teacher Salaries \$5,000.00



Function Code Option

Special Education Teacher paid with Part B funds:

1221 -6100	SE Teacher Salaries	\$5,000.00
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Special Education Teacher paid with State funds:

1225 -6100	SE Teacher Salaries	\$5,000.00
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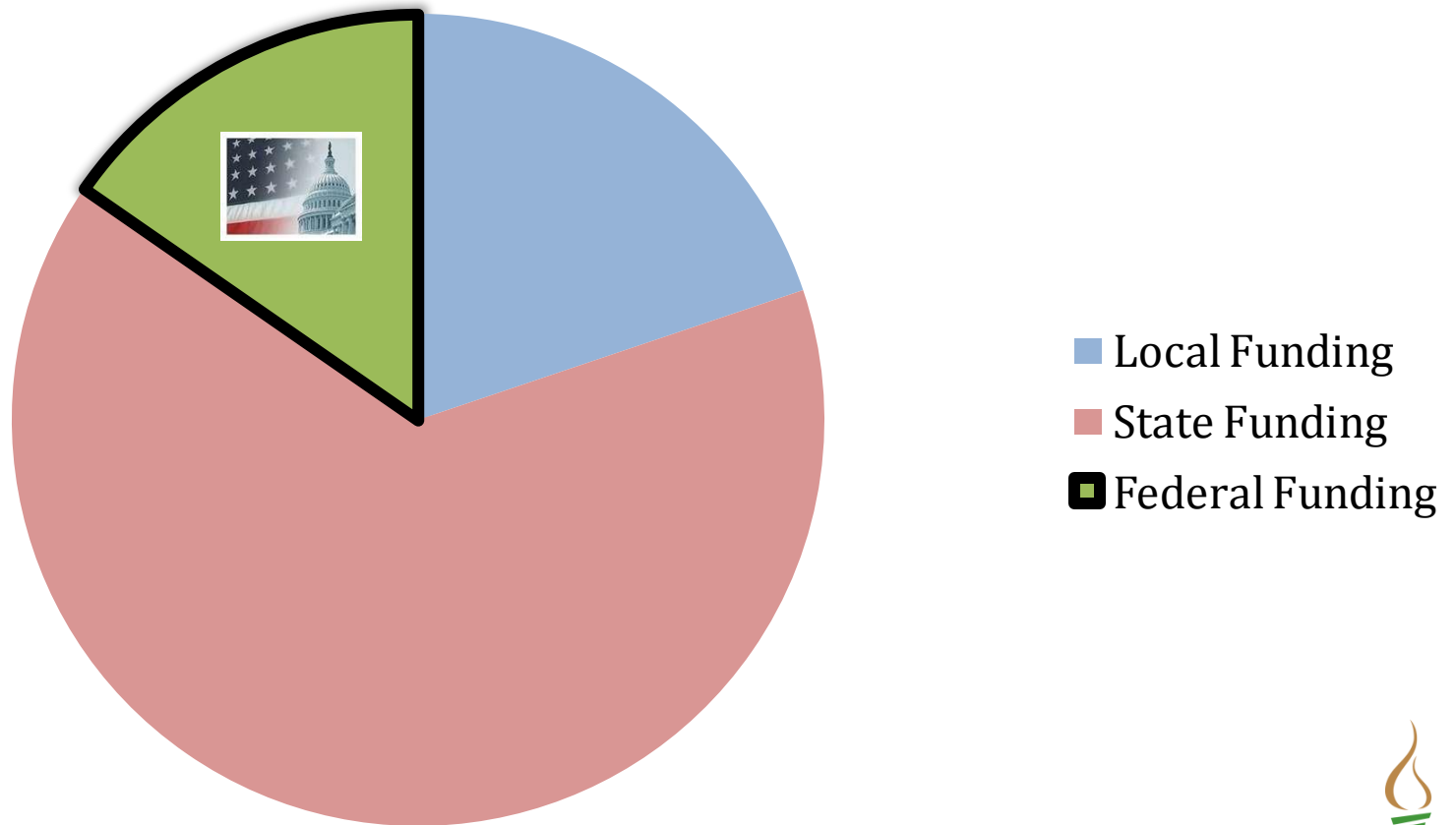


Part B IDEA Funds



Federal Part B IDEA Funds

Federal Special Education Program Funding



Federal Part B IDEA Funds



IDEA Part B Entitlement funds (Section 611) are Federal funds your LEA receives to help support your special education program and implement IDEA.

2013-14 \$169 million Part B



Federal IDEA Part B Funds Formula

Three separate components in formula:

1. **Base Amount**

2. **Population Count**

- September Enrollment
- Home School
- Non-Public
- Neglected/Delinquent

3. **Poverty Count**

- Free/Reduced Lunch Count



Permissive Use of Part B Funds

How can I use my federal Part B funds?

- ☐ Costs of Special Education and Related Services
- ☐ Supplementary Aids and Services
- ☐ Administrative Case Management
- ☐ Coordinated Early Intervening Services (CEIS)
- ☐ Special Education buses (prior approval)
- ☐ Construction/Renovation of Special Education facilities (prior approval)



Part B IDEA Requirements

What rules must I follow when spending Part B funds?

ALL LEAs MUST follow in order to be eligible for grant award:

- ☐ Grant Specific Assurances
- ☐ Excess Cost Requirement
- ☐ Maintenance of Effort
- ☐ Supplement – NOT Supplant



Part B IDEA Requirements

LEAs MAY need to follow:

- ☐ Equipment
- ☐ Capital Costs
- ☐ Prorating Expenditures
- ☐ Proportionate Share
- ☐ OMB Circular A-87 Time and Effort Reporting
- ☐ CEIS required if LEA has a determination of significant disproportionality



Assurances (34 CFR §300.200)

- ❑ LEAs providing services to students with disabilities must submit annual assurances to the Department regarding their compliance with the applicable federal and state statutes and regulations.
- ❑ Assurances are agreed to in ePeGs reporting system through the Core Assurances and Grant Specific Assurances.



Excess Cost (34 CFR §300.202)

- ❑ Federal funds may only be used to pay excess cost of providing special education and related services to children with disabilities.
- ❑ Excess costs are those costs for the education of an elementary school or secondary school student with a disability that are in excess of the average annual per student expenditure in an LEA.
- ❑ An LEA must spend at least the average annual per student expenditure on the education an elementary school or secondary school student with a disability before funds under Part B are used to pay the excess costs of providing special education and related services.



Maintenance Of Effort (MOE)

(34 CFR §300.203)

Funds provided to a LEA under Part B must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.



MOE Compliance: CURRENT YEAR

The LEA must SPEND the same amount in the **CURRENT YEAR** as compared to the **PRIOR YEAR** to be eligible for the **CURRENT YEAR** Part B Grant.



MOE Compliance: NEXT YEAR

The LEA must BUDGET the same amount in the **NEXT YEAR** as compared to the **CURRENT YEAR** to be eligible for the **NEXT YEAR** Part B Grant.



MOE Reporting

The LEA reports MOE in the
Part B Final Expenditure Report (FER).



Maintenance of Effort (MOE)

LEA is required to spend the same amount in total or per capita (child) basis for students with disabilities as it spent from those same sources in the prior year of either:

☐ Local Funds only



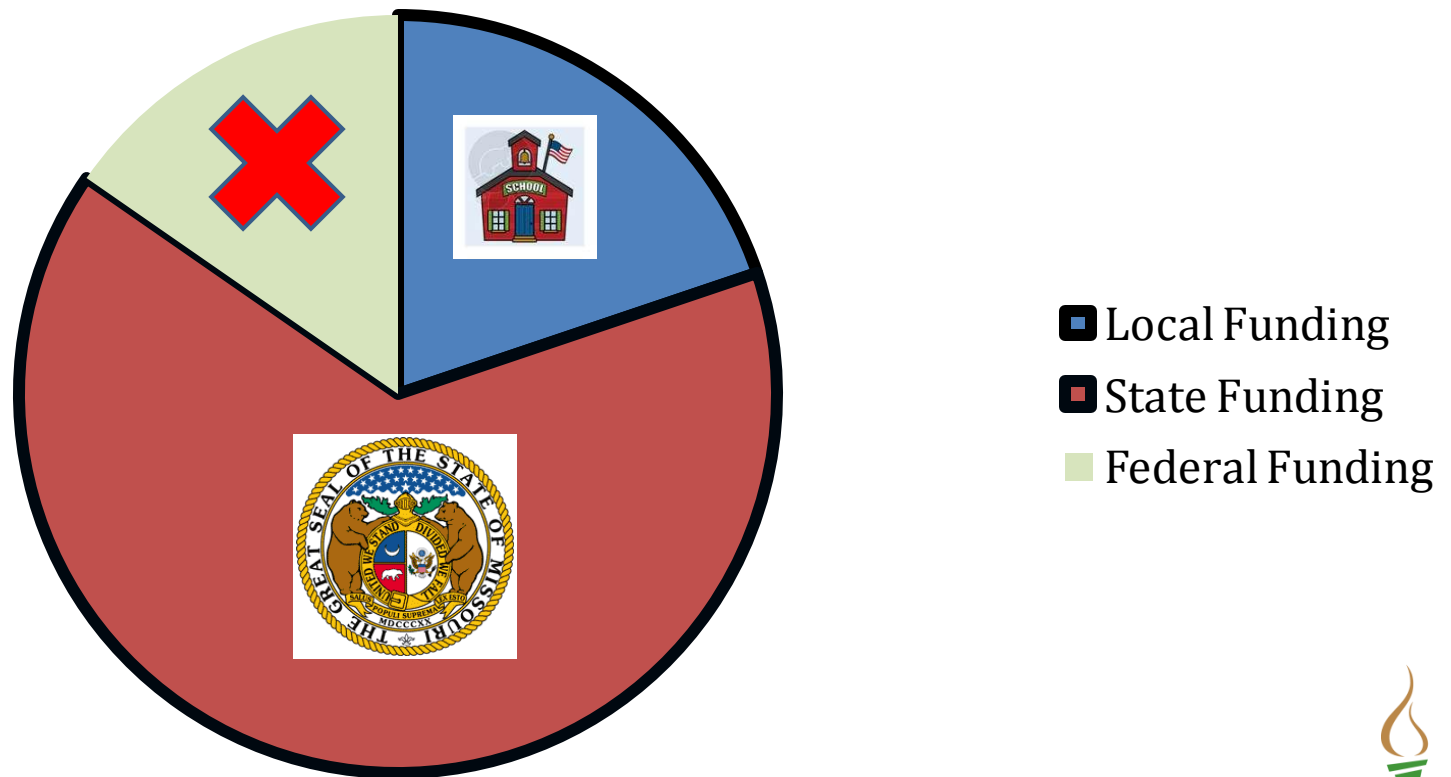
OR

☐ Combination: State and Local Funds



Maintenance of Effort

State/Local Special Education Program Funding MOE



Calculating MOE

Include ONLY special education expenditures paid from
non-federal sources

Do Not Include Expenditures Paid With:

- ☐ Federal Part B
- ☐ Federal ECSE
- ☐ Medicaid
- ☐ Federal High Need Fund
- ☐ Federal Grants (ie Elementary Achievement)



Calculating MOE

The LEA should NOT use the “back- out” method to determine MOE.

The “back-out” method is deducting federal revenues from total special education expenditures to determine MOE.



Calculating MOE – State & Local

1. Code all Special Education expenditures in the general ledger to a special education function code.
2. Determine what Special Education expenditures will be paid with federal, state, and local funds.
3. Tag all **federal** special education expenditures with (1) a project/source code, (2) an expenditure descriptor, or (3) a varying function code to identify it as a **federal** expenditure.
4. Anything remaining in the general ledger that is not tagged as a federal special education expenditure will be the MOE amount.



Calculating MOE – Local Only

1. Code all Special Education expenditures in the general ledger to a special education function code.
2. Determine what Special Education expenditures will be paid with federal, state, and local funds.
3. Tag all **federal** special education expenditures with (1) a project/source code, (2) an expenditure descriptor, or (3) a varying function code to identify it as a **federal** expenditure.
4. Tag all **state** special education expenditures following one of the options above to identify it as a **state** special education expenditure.
5. Any remaining SE expenditures in the general ledger that are not tagged with as a federal or state expenditure will be the MOE amount.



Including ECSE Expenditures in MOE

If the LEA has ECSE expenditures, it must determine the amount of ECSE expenditures to include in the MOE amount.

Typically only LEAs using “State & Local” method will have ECSE expenditures to report on MOE grid as these expenditures are reimbursed 100% by state & federal funds.

<http://dese.mo.gov/divspeced/Finance/documents/se-fin-ecse-expend-guide-june13woapp.pdf>



Including ECSE Expenditures in MOE

How do I determine which ECSE expenditures to include in MOE?

Answer:

1. Re-code Federal Expenditures
2. Expend Federal Funds within 3 days and Track Separately

*This must also be done to be in compliance with the Cash Management Improvement Act (CMIA)



Including ECSE Expenditures in MOE

Re-coding Expenditures

Step 1:

Incur Expenditure and Code to General Account/State Funds in General Ledger

1280-6300	\$1200.00	9/10/13
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Step 2:

Receive Federal Funds in Monthly School Payment Transmittal

Federal amount	\$1200.00	1/21/14
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Step 3:

Journal Voucher to Recode the Expenditure to Federal (“41”) Account w/in 3 Days

1280-6300	-\$1200.00	
1280-6300-41	\$1200.00	1/23/14



Including ECSE Expenditures in MOE

Expending Federal Funds within Three Days

Step 1:

Receive Federal Funds in Monthly School Payment

Federal amount	\$500.00	11/21/13
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Step 2:

Incur and Code to Federal Account (“41”) within 3 Days

1280-6111-41	\$500.00	11/23/13
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Including ECSE Expenditures in MOE

Beginning with the FY14 FER, districts using the “State & Local” method must take the following steps to determine amount of ECSE expenditures to include in MOE:

State and Local Method

1. Pull from general ledger all ECSE expenditures (function codes 1280/2559) for year just concluded that have NOT been coded as federal.
2. Calculate total of all ECSE expenditures paid with NON-federal funds for year just concluded.



Including ECSE Expenditures in MOE

Beginning with the FY14 FER, districts using the “Local Only” method must take the following steps to determine amount of ECSE expenditures to include in MOE:

Local Only Method

1. Pull from general ledger all ECSE expenditures (function codes 1280/2559) for year just concluded that have NOT been coded as federal or state expenditures.
2. Calculate total of all ECSE expenditures paid only with local funds for year just concluded.



Including ECSE Expenditures in MOE

[illegible]

MOE Calculation Assistance

Special Education Only Expenditures	CURRENT YEAR			BUDGETED NEXT YEAR		
	EXPENDITURES PAID FROM FEDERAL FUNDS	EXPENDITURES PAID FROM LOCAL FUNDS	EXPENDITURES PAID FROM STATE FUNDS	EXPENDITURES PAID FROM FEDERAL FUNDS	EXPENDITURES PAID FROM LOCAL FUNDS	EXPENDITURES PAID FROM STATE FUNDS
	DO NOT include amounts in MOE!	Include Amounts in MOE if applicable (see instructions)	Include Amounts in MOE if applicable (see instructions)	DO NOT include amounts in MOE!	Include Amounts in MOE if applicable (see instructions)	Include Amounts in MOE if applicable (see instructions)
Capital Costs (renovation, construction, real estate, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clerical Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coordinated Early Intervening Services (CEIS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coop Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ECSE Reimbursement	\$ -	n/a	\$ -	\$ -	n/a	\$ -
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extended School Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Guidance Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupational Therapist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation of Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paraprofessionals/Teacher Aides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Physical Therapist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate Share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Psychology Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education Administrator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education Process Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Speech/Language Pathologist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Substitutes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation (Pupil)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (Employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition, Severely Handicapped	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition to another district	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Maintenance of Effort Options:

1. Total "Local Funds Only" method. The LEA must be able to separate out Local and State Special Education Expenditures in their accounting system to be able to use this method. Use the "Total Local Funds" column if claiming this method.
2. Per Child "Local Funds Only" method. Formula: Total Local Only funds divided by the December 1 child count = Per child rate. DESE compares the "rates" to be sure MOE has been maintained. This method is useful when the LEA has a drop in December 1 child count.
3. Total "Local and State Funds" method. If you are not able to separate "Local and State", enter the total in the State Column. Otherwise, add together the Local and State Totals for MOE if claiming this method.
4. Per Child "Local and State Funds" method. Formula: Total Local and State funds divided by the December 1 child count = Per Child Rate. DESE compares the "rates" to be sure MOE has been maintained.

MOE Example 1—Total Expenditures

Meeting MOE using TOTAL Special Education (Local or combination of State/Local) expenditures:

Example:

2010-11: \$50,000

2011-12: \$40,000 (Less than 2010-11—Must explain)

2012-13: \$50,000 (Greater than 2011-12—MOE okay)

Current year expenditures may only be less than prior year if allowable exceptions or adjustment can be claimed.



MOE Example 2—Per Child Basis

Formula:

Total MOE / Dec. 1 Count = Per Child Amount

Example:

2010-11 \$50,000 / 14 Child Count = \$3,571

2011-12 \$40,000 / 9 Child Count = \$4,444 (\geq \$3,571)

2012-13 \$39,000 / 8 Child Count = \$4,875 (\geq \$4,444)



MOE Exceptions

- ❑ Voluntary Departure, or Departure for Just Cause, of Special Education Staff
- ❑ Decrease in Enrollment of Children with Disabilities
- ❑ Termination of a Costly Obligation for a Specific Child
- ❑ Termination of a Costly Long-Term Purchase
- ❑ Assumption of the Cost by the High Need Fund

These are the ONLY allowable exceptions to MOE



MOE Adjustment

IDEA allows LEAs to reduce MOE threshold when allocations increase from one year to next.

This reduction assists LEAs in spending the increase in federal funds.

LEAs identified as “Needs Assistance” are NOT allowed to take the adjustment.

Note: MOE Adjustment may be taken with any allowable MOE exceptions.



MOE Adjustment

MOE Adjustment is calculated by taking 50% of the increase in allocation from prior year to current year Part B allocation.

Example:

Prior Year's Allocation:	\$900,000
Current Year's Allocation:	\$1,000,000
Increase:	\$100,000
Max Available for MOE reduction:	\$50,000



MOE Adjustment Facts

- ❑ The MOE Adjustment DOES NOT decrease Part B Allocation but instead the amount of Local/State Funds that must be spent on students with disabilities (MOE)
- ❑ You DO NOT have to budget or expend the full amount of Part B funds to take advantage of the Adjustment
- ❑ MOE Adjustment must be taken in the year of the increase
- ❑ MOE Adjustment resets the MOE for MOE Adjustment year and future years until the LEA voluntarily increases



What If MOE is Not Met?

The LEA must pay DESE back the amount of MOE not met from either **LOCAL** or **STATE** funds. The MOE is NOT re-set to the lower amount; it is maintained at the amount from the previous year.

Example:

FY11 : \$150,000

FY12: \$140,000 (MOE NOT MET – LEA is required to pay DESE \$10,000 from Local or State funds)

FY13: MOE amount the LEA must meet is \$150,000



Supplement Not Supplant (34 CFR §300.202)

Federal Part B Funds may only be used to supplement state, local or other non-federal funds spent on students with disabilities.

MOE MET =
MET NON SUPPLANT REQUIREMENT



Equipment (EDGAR 80.32)

All capital outlay purchased with federal monies costing **\$1000 or more per unit/set** is subject to inventory management and control requirements:

- ☐ Items shall be inventoried with all required components.
- ☐ A physical inventory of items must be taken and the results reconciled with the inventory records at least once every two years.
- ☐ Inventory must be current and available for review and audit.
- ☐ Adequate safeguards must be in effect to prevent loss, damage, or theft of the property.

Note: \$5000 according to EDGAR but MO has a lower threshold



Equipment (EDGAR 80.32)

The following must be included in inventory records to be in compliance:

- ☐ description of the property
- ☐ manufacturer's serial number or other identification number
- ☐ identification of the funding source used to purchase property
- ☐ acquisition date and unit cost
- ☐ source of property (vendor name)
- ☐ percentage of federal funds used for purchase
- ☐ present location, use, condition of the property, and date the information was reported
- ☐ items purged, transferred or replaced must have pertinent information recorded regarding the disposition of the equipment



Capital Costs (Federal Funds)

(34 CFR §300.718)

Prior Approval is required:

- ☐ Alteration / Renovation: changing an existing LEA-owned structure
- ☐ Construction - building a new structure
- ☐ Real Estate - purchasing a structure or land
- ☐ Buses/Vehicles



Prorating Expenditures

IDEA requires all expenditures with IDEA funds to be directed 100% toward Special Education; otherwise the cost should be prorated, unless the benefit to non-special education students is incidental and justifiable.



Prorating Expenditures - Examples

Justifiable incidental benefit to non-special education students:

- ❑ A LEA bought a 12 passenger small bus for 9 students with disabilities. The bus picks up two additional non-disabled students on the same route that are siblings of the students with disabilities. This is a justifiable incidental benefit because that bus had to make those stops anyway for the students with disabilities, and no additional stops were needed. This would be a purchase that could be paid 100% with Part B IDEA funds.

Unjustifiable incidental benefit to non-special education students:

- ❑ A LEA bought a 54 passenger bus with wheel chair capabilities for 3 students with disabilities in wheelchairs. There are 50 non-disabled students on the same route. While this purchase may benefit the disabled students, the bus had to make multiple extra stops that weren't necessary for the students with disabilities. The benefit to non-disabled students is more than incidental, and therefore the cost must be prorated.



Proportionate Share

(34 CFR §300.130-148)

- ❑ Each district shall reserve and spend a proportionate amount of its Part B funds to provide special education services to on parentally-placed private school children with disabilities ages 5-21 who have been evaluated and determined eligible by the district.
- ❑ District where a private school is located is responsible.
- ❑ Districts are also responsible to provide services to home-schooled students with disabilities.



Child Find Requirement

- ❑ Each district must locate, identify and evaluate all children with disabilities who are enrolled by their parents in private, parochial, and home schools located in the district boundaries.
- ❑ Costs for child find and evaluations cannot be deducted from the amount of funds that must be expended on providing special education services for these students. This means districts cannot use their Proportionate Share funds to pay for these costs.



Are Children Attending “For-Profit” Private Schools Counted?

No. Children attending for-profit private schools would not be included in the proportionate share calculation or be eligible for equitable services.

However, under 34 CFR §300.111, children with disabilities attending private schools, who are in need of special education and related services, should be identified, located, and evaluated even if they attend for-profit schools.



What if Eligible Private School Student Count is Zero?

The Part B Entitlement Proportionate Share obligation amount is zero for the next school year even if you receive transfer students or identify new students through evaluations after the eligible count is taken.

Example:

- 2012-2013 Eligible Private School Children count between Oct. 1 and Dec. 1 2011 = 0
- 2013-2014 Proportionate Share Obligation = \$0



May the District Spend More?

- ❑ PART B FUNDS: Yes, as long as the district meets all the other requirements of the Act, including providing a Free Appropriate Public Education (FAPE) to children with disabilities.
- ❑ STATE/LOCAL: Yes, but only to supplement, and not supplant, the proportionate share of Federal funds required. This means that the district must spend ALL federal proportionate share funds prior to utilizing state and local funds.



When Must the Funds be Expended?

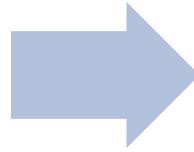
- ❑ The funds must be reserved and expended over a maximum two year period.
- ❑ Any funds NOT expended in the first year must be obligated during a carryover period of one additional year.



Budgeting Proportionate Share Funds

Prior Year FER

- Once the prior year FER has been approved, the district needs to revise the current year Budget Application



Current Year Budget Application

- Revise to include any **current year obligation of proportionate share** and **proportionate share carryover** amount under function code 1224



Tracking Prop Share Expenditures

- ❑ Staff providing services should have their salaries/benefits prorated and coded separately in the general ledger to account for the expenditure.
 - Method of proration must be reasonable & justifiable.
- ❑ Staff providing services should not be included in SDAC cost pool for the portion of the time they are coded as Proportionate Share.
- ❑ Detail of expenditures must be available for monitoring purposes;
 - Includes documentation showing appropriate prorating of applicable expenditures.



Proportionate Share Carryover Funds

Carryover funds must be expended first before any of the current year calculation is expended (First in/First Out).

If the district cannot completely spend the carryover funds during the second year having met all requirements in 34 CFR §300.130-148, the district should request a release of the unspent funds.

Released proportionate share carryover funds should be spent on public students with disabilities within the district.



Releasing Unexpended Carryover Funds

- ❑ If the current year estimated expenditures for proportionate share are less than the carryover amount, the district may request a release of the unexpended funds.
- ❑ If the current year estimated expenditures for proportionate share are equal to or greater than the carryover amount, the district may NOT request a release of any carryover funds.



Example

Example 1: Released Funds

Carryover Amount (from previous year)	\$50,000
Current Year Obligation (from current year)	\$70,000
Total Available for Proportionate Share	\$120,000
Estimated Expenditures for Current Year	\$40,000
Amount Available for Release	\$10,000



Example

Example 2: NO Released Funds

Carryover Amount (from previous year)	\$50,000
Current Year Obligation (from current year)	\$70,000
Total Available for Proportionate Share	\$120,000
Estimated Expenditures for Current Year	\$60,000
Amount Available for Release	\$0



Allowable Reasons for Unexpended Funds

- ☐ Student(s) no longer attends private school/home school within district boundaries
- ☐ Student(s) aged-out/graduated from private school/home school
- ☐ Private school(s) refused services
- ☐ Parents refused services
- ☐ More Part B Proportionate Share obligation than what was needed for services



Proportionate Share Carryover Release Request Page

013-2014 ▼

Select a District

Entitlement - Budget

Version: Revision 3 Status: Approved

☒ Number

☐ Name

Request to release IDEA Part B Proportionate Share Carryover Funds

Purpose:

Proportionate share funds are a portion of a district's IDEA Part B funds that must be reversed and spent over a maximum two year period to provide Special Education services to students who are parentally placed in either a private/parochial or home school setting. If the district should request that DESE release any unspent funds for use in the district's own Special Education services.

Guidelines:

If the district's anticipated current year proportionate share expenditures either equal or exceed the prior year proportionate share carryover amount, the district MAY NOT request a release of funds. If the district's anticipated current year proportionate share expenditures are less than the prior year proportionate share carryover amount, the district MAY request a release of funds. The district should not complete this page. REMEMBER: CARRYOVER PROPORTIONATE SHARE FUNDS MUST BE SPENT FIRST.

Revising the Budget Application:

Once a release of carryover funds has been approved, the district will need to revise the Part B Budget Application. The district should re-budget the anticipated amount of release funds into the current year budget. If the district's anticipated current year proportionate share expenditures are less than 1224. REMEMBER: BUDGET AMENDMENTS MUST BE COMPLETED BY APRIL 30. Release proportionate share carryover funds should be spent on public students with disabilities with the current year budget.

Please complete the information in the tables below as directed.

Enter the Total Number of Eligible Proportionate Share Students:

Total number of parentally placed private school and home school students with disabilities eligible served in school year

Indicate the Rational for Unexpended 11- 12 Proportionate Share Carryover Funds

(Enter Yes or No to all below):

Rational	District Response (Yes/No)
Student (s) no longer attends private school/home within district boundaries	<input type="radio"/> Yes <input type="radio"/> No
Student (s) aged-out/graduated from private school/home school	<input type="radio"/> Yes <input type="radio"/> No
Private school(s) refused services	<input type="radio"/> Yes <input type="radio"/> No
Parents refused services	<input type="radio"/> Yes <input type="radio"/> No
More Part B Proportionate Share carryover funds than what was needed for services	<input type="radio"/> Yes <input type="radio"/> No
Other (describe below)	<input type="radio"/> Yes <input type="radio"/> No

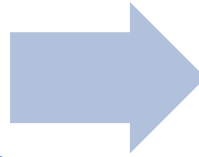
By checking the box, the Superintendent, based on his/her knowledge, assures that the district has met the requirement in 34 CRF 30.02-1-1.1, evaluating, and serving students who are parentally placed in private schools and home schools. The Superintendent, based on his/her knowledge, certifies that the district has expended the proportionate share expended carryover amount from the release of those funds.

☐

Releasing Proportionate Share Carryover Funds

Current Year Budget Application

- Once the release has been approved, the district needs to revise the current year Budget Application. Re-budget the anticipated amount of unexpended funds into any function code other than 1224. Budget amendments must be completed by April 30.



Current Year FER

- Remember to include the amount of released proportionate share carryover funds on the FER Supporting Data page.



Additional Information

- ❑ The district must calculate the proportionate share of IDEA funds before earmarking funds for any Coordinated Early Intervening Services.
- ❑ Proportionate Share calculation should not result in a “per private school entitlement amount” but is instead the amount of a district’s Part B funds that must be spent on all private schools located in the district’s jurisdiction.
- ❑ A portion of the district’s Part B Entitlement Allocation is based on the count of all Non-Public and Home Schooled Students in the district.
- ❑ Charter Schools do not have proportionate share obligations.



Office of Management and Budget (OMB) Circular A-87

What is Time and Effort Reporting?

- ❑ Must demonstrate = If employee is paid with federal funds, then employee worked on that specific grant program
- ❑ Establishes in an audit that allowable costs were maintained



Who must complete?

- ☐ ALL employees funded with federal dollars
- ☐ Required when any portion of an employee's salary is charged to a federal grant
- ☐ Not contractors or vendors



Types of Cost Objectives

“Cost Objective” means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. – OMB Circular A-87

- ❑ Single cost objective

- Employee works solely on a single program
 - Special Education

- ❑ Multiple cost objective

- Employee works on different programs
 - Special Education and Regular Education



Single Cost Objective Reporting

❑ Semi annual certification

▣ Who?

- Kept for employees with a “single cost objective”

▣ Why?

- To indicate they worked solely on that program for the period covered by the certification

▣ When?

- Completed at least every six months after the work has been performed

(OMB) Circular A-87, Part 225 Appendix B.8.h(3))



Semi-Annual Certification

☐ Must include:

- ☐ Employer's Name
- ☐ Employee's Name
- ☐ Employee's Position
- ☐ Federal Program Title (CFDA # (found on Monthly Payment Transmittal))
- ☐ Reporting Period
- ☐ Employee OR Supervisor's signature
- ☐ Date



Sample of Semi-Annual Cert

CERTIFICATION OF PAY

OMB Circular A-87, states “where employees are expected to work solely on a single Federal award... their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.”

I _____ certify that 100% of my time has been spent performing duties
(Name and Title)

associated with _____ for the period of _____.
(Federal Program)

Employee Signature _____

Date _____

Supervisor Signature _____

Date _____

Multiple Cost Objective Reporting

□ Personnel Activity Reports (PARs)

▣ Who?

- Kept for employees with “multiple cost objectives”

▣ Why?

- To determine the amount of time spent on duties allocable to Part B (611 / 619) funding

▣ When?

- Completed at least monthly after the work has been performed and must coincide with one or more pay periods

(OMB) Circular A-87, Part 225 Appendix B.8.h(4 & 5)



Personnel Activity Report (PAR)

- ❑ The PAR is designed to track which cost objectives the individual works on, NOT the source of the funding.
- ❑ The total activity of the employee must be accounted for on the PAR.
- ❑ The PAR must reflect actual work performed (not budgeted).



Personnel Activity Report (PAR)

☐ Must include:

- ☐ Employer's Name
- ☐ Employee's Name
- ☐ Employee's Position
- ☐ Federal Program Title (CFDA #)
- ☐ Reporting Period
- ☐ Break-out of the employee's work schedule
- ☐ Employee's signature
- ☐ Date



Sample of PAR

[illegible]

Multiple Cost Objective Reporting

❑ Substitute System (in lieu of PARs)

❑ Who?

- Kept for employees with “multiple cost objectives” with fixed schedules supported by monthly personnel activity reports

❑ Why?

- To determine the amount of time spent on duties allocable to Part B (611 / 619) funding

❑ When?

- Employee Certification Form completed at least every six months



Substitute System

Forms and more information found at:

FAS-13-007:

<http://dese.mo.gov/am/fas/documents/FAS-13-007.pdf>



OMB Circular A-87

Time and Effort Reporting Guidelines

Cost Objective	Criteria	Documentation Required
Single Cost Objective	<ul style="list-style-type: none"> Employee works solely on a single Federal award or cost objective 	Semi-Annual Certification <ul style="list-style-type: none"> Must be prepared at least semi-annually; and Must be signed after-the-fact by employee or supervisory official having firsthand knowledge of the work performed by the employee.
Multiple Cost Objectives	<ul style="list-style-type: none"> More than one Federal award; Federal award & non-Federal award; Indirect cost activity & direct cost activity; Two or more indirect activities that are allocated using different allocation bases; Unallowable activity & a direct or indirect cost activity; or One Federal award with multiple cost objectives. 	Personnel Activity Report (PAR) <ul style="list-style-type: none"> Reflect an after-the-fact distribution of the actual activity of the employee; Account for the total activity for which each employee is compensated; Be prepared at least monthly & coincide with one or more pay periods; and Must be signed after-the-fact by the employee. At least quarterly, the actual time reflected on the PAR must be compared to the payroll charges, and if differences exist, then payroll adjustments must be made.

OMB Circular A-87

Time and Effort Reporting Guidelines

Cost Objective	Criteria	Documentation Required
Multiple Cost Objectives with Fixed Schedule (Substitute System)	<ul style="list-style-type: none"> Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports; Work on specific activities or cost objectives based on a predetermined schedule; and Not work on multiple activities or cost objectives at the exact same time on their schedule. 	Substitute System Certification & Fixed Schedule <ul style="list-style-type: none"> Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule; Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and Be certified at least semi-annually & signed by the employee & a supervisory official having firsthand knowledge of the work performed by the employee.
Stipend and Extra Duty Pay	<ul style="list-style-type: none"> Pay for extra work beyond an employee's regular contract 	Written Agreement <ul style="list-style-type: none"> Indicates the extra work to be performed; Date(s) of performance; Amount to be paid to the employee; and Must be signed by the employer & the employee to show the acceptance of the terms. And Semi-Annual Certification or Personnel Activity Report

Time Reporting Example

Single Funding Source / Single Cost Objective

❑ A teacher providing only special education services
100% of the day is charged 100% to the Part B
grant

- Funding Source: IDEA Part B Only
- Cost Objective: Special Education Only
- Reporting Type: Semi-Annual Certification



Time Reporting Example

Multiple Funding Source / Single Cost Objective

❑ A K-12 teacher providing only special education services 100% of the day is funded with Part B funds and state/local special education funds

- Funding Source: IDEA Part B, Local & State
- Cost Objective: Special Education Only
- Reporting Type: Semi-Annual Certification



Time Reporting Example

Multiple Funding Source / Single Cost Objective

- ❑ An ECSE teacher spends 100% of time providing ECSE services and is funded with Part B funds (611 & 619) and state/local special education funds
 - ▣ Funding Source: IDEA Part B, Local & State
 - ▣ Cost Objective: ECSE Only
 - ▣ Reporting Type: Semi-Annual Certification



Time Reporting Example

Single Funding Source / Multiple Cost Objective

❑ A school psychologist funded with Part B funds works 50% of the day with special education students and 50% of the day providing coordinated early intervening services (CEIS) to students without IEPs

- Funding Source: IDEA Part B Only
- Cost Objective: Special Education & CEIS
- Reporting Type: Personnel Activity Report



Time Reporting Example

Multiple Funding Source / Multiple Cost Objective

❑ A teacher is providing special education services to students with IEPs 60% of the day (funded with Part B funds) and bilingual instruction to English Language Learners 40% of the time (funded with local funds)

- Funding Source: IDEA Part B & Local
- Cost Objective: Special Education & ELL
- Reporting Type: Personnel Activity Report



Reconciling

- ❑ At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly personnel activity reports should be made.
- ❑ LEAs must adjust the amount of salaries charged to the Federal award quarterly if variance between budgeted and actual costs is at least 10%. Otherwise, the adjustment can be made at the end of the year.



Coordinated Early Intervening Services (CEIS) (34 CFR §300.226)

LEAs may use up to 15% of their Part B 611 Allocation to assist students in Kindergarten through Grade 12 not yet identified as needing special education services but need additional academic and behavioral supports to succeed in the general education environment.

Federal regulations recommend particular emphasis on students in Kindergarten through 3rd grade.

CEIS Website:

<http://dese.mo.gov/divspced/Finance/EarlyInterveningServices.htm>



CEIS – Significant Disproportionality (34 CFR §300.646)

If significant disproportionality is determined, the LEA **must** reserve the maximum amount (15%) for CEIS to provide comprehensive CEIS to serve children in the LEA, particularly, but not exclusively to children in those groups that were significantly over identified.



CEIS

Funding may be used for:

- ❑ Professional development for teachers and other staff to deliver academic instruction and behavioral interventions
- ❑ Direct interventions (educational and behavioral evaluations, services, and supports)
- ❑ Activities aligned with Elementary and Secondary Education Act (ESEA) funded activities; however they must be used to supplement and not supplant funds made available under the ESEA

Examples:

- ❑ Reading or math specialists to work with non-disabled students who have not reached grade-level proficiency in those subjects
- ❑ After-school tutoring for non-disabled students who score below “basic” on statewide assessments (supplementing)



Part B IDEA Requirements

- ❑ More information regarding Part B IDEA Requirements can be found under Part B Fiscal Guidance at:

<http://dese.mo.gov/divspeced/Finance/partbentitlement.html>

- ❑ Part B Federal Expenditure Requirements – “Cheat Sheet”
- ❑ Part B Federal Expenditure Requirements PowerPoint



ePeGS System — IDEA Part B

ePeGs Training Guide Series

<http://dese.mo.gov/divspeced/Finance/partbentitlement.html>



Part B Funding Application

Part B is completed in the DESE
Web Applications under:

Electronic Planning Electronic
Grants System (ePeGS)



Part B Applications/Payment Requests/FERs



▼ User Applications

▼ Cross-Divisional Systems

- ▷ ARRA
- ▷ Data Collection
- ▷ Educator Qualifications
- ▷ ePeGS
- ▷ Tiered Monitoring

▼ Financial & Administrative Services

- ▷ Annual Report of the County Clerk to the State Board of Education
- ▷ Annual Secretary of the Board Report (ASBR)
- ▷ DESE Payment Management Application
- ▷ School Finance

▼ Nonpublic System Only

- ▷ Nonpublic Registration Form

▼ Office of Educator Quality

- ▷ Educator Certification System

▼ Office of Special Education

- ▷ Sheltered Workshops Application
- ▷ Special Education IMACS
- ▷ Special Education: Early Childhood

▼ Reports

- ▷ Missouri Comprehensive Data System (MCDS)

▼ User Information

- ▷ User Manager

ePeGS Part B Components

- ☐ Assurances
- ☐ Part B Entitlement Budget Application
- ☐ Payment Requests
- ☐ Part B Final Expenditure Report



IDEA Part B Budget Application



Core and Grant Specific Assurances

The LEA must complete the assurances indicating Federal Part B funds will be spent appropriately.



Period of Availability of Funds

“Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.”

EDGAR §80.23



Grant Cycle / Obligation Period / FER Reporting Period

Grant Cycle	Obligation Period	FER Reporting Period
July 1, 2013 to June 30, 2014	Date of Substantially Approved Application to June 30, 2014	July 1, 2013 to September 30, 2014
Period during which funds may be obligated and expended.	Obligations occur during the grant cycle, but <u>only after a substantially approved budget application has been submitted.</u>	Expenditures for obligations made <u>during the obligation period</u> may be reported up until September 30.

When is an Obligation Made?

IF THE OBLIGATION IS FOR--	THEN THE OBLIGATION IS MADE--
Acquisition of real or personal property	On the date the school district makes a binding written commitment to acquire the property
Rental of real or personal property	When the school district uses the property
Personal services by an employee of the school district	When the services are performed
Personal services by a contractor who is not an employee of the school district	On the date the school district makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date the school district makes a binding written commitment to obtain the work
Public utility services	When the school district receives the services
Travel	When the travel is taken

EDGAR §76.707



Part B Entitlement Application

2013-14 Budget Application was due
July 1, 2013.

- ❑ The budget application indicates the amount of federal Part B (611) Entitlement funds the LEA is obligating.
- ❑ Part B funds may be obligated as of the substantially approved date (the date the application is submitted or July 1, whichever is later).



Requesting Part B Entitlement Funds



When Can LEAs Expend Part B Funds?

- ❑ For any obligations made from substantial approval date of the Part B budget application to June 30th of that fiscal year, LEAs can expend funds to September 30th.
- ❑ Example:

Ordered curriculum May 2, 2013, but curriculum was on backorder and invoice did not arrive until July 16, 2013. LEA can expend the funds in July since the obligation was made during the obligation period of the grant cycle and the LEA can process payments to September 30th.



Part B Payment Requests

SCHOOL PAYMENT MONTH	EXPENDITURE PERIOD END DATE	MAXIMUM PERCENTAGE OF APPROVED BUDGET	PAYMENT REQUEST DUE DATE
July	July 25, 2013	50%	July 1, 2013
August	August 26, 2013	50%	August 1, 2013
September	September 25, 2013	50%	September 1, 2013
October	October 24, 2013	75%	October 1, 2013
November	November 26, 2013	75%	November 1, 2013
December	December 25, 2013	75%	December 1, 2013
January	January 24, 2014	75%	January 1, 2014
February	February 26, 2014	90%	February 1, 2014
March	March 26, 2014	90%	March 1, 2014
April	April 24, 2014	90%	April 1, 2014
May	May 26, 2014	90%	May 1, 2014
June	June 25, 2014	100%	June 1, 2014
July	July 24, 2014	100%	July 1, 2014
August	August 26, 2014	100%	August 1, 2014
September	September 25, 2014	100%	September 1, 2014
FER Approval		Remaining Amount Due	

Part B Payment Requests

Payment Request Due Date

- ☐ Payment requests must be submitted by **11:59 P.M. on the first day of the month** or payment will not be processed until the next month.
- ☐ If the first day of the month falls on a weekend or a holiday, payment requests must still be submitted by the first of the month.
- ☐ LEAs should plan accordingly to submit payment requests early if necessary.



Part B Payment Requests

Maximum Percentage of Approved Budget

- ❑ Part B funds may be requested each month up to the maximum percentage of your approved budget.
- ❑ Maximum percentage of approved budget that can be requested is based on grant award funds availability and our state budget allotments.



Part B Payment Requests

Expenditure Period End Date

- ❑ Expenditure Period End Date represents the date that is three (3) business days after the date funds are received. **By this date, all funds requested must be spent (or journal vouchers/entries made to re-code if expenditures were initially made with state or local funds).**
- ❑ This is a Federal Expenditure Requirement under Cash Management Improvement Act (CMIA).



Cash Management Improvement Act

When receiving federal funds LEAs must have either:

Already spent the funds

-OR-

Will spend the funds within 3 business days of receipt of funds

**Violating CMIA requires interest to be calculated and funds returned.



CMIA Compliance

RULE: Districts can't "sit" on federal funds; an action must be taken to tie federal funds to an expenditure under one of the following three options.

OPTIONS:

- Expend as Federal Upfront
- Journal Voucher as Federal
- Request & Expend as Federal



Expend as Federal Upfront

- ❑ **Code the expenditure as a federal account expenditure and then request the funds for that expenditure.**
- ❑ The district would incur the expenditure and code to the federal account upfront. The district would then request and receive reimbursement for the expenditure. Since the reimbursement is already tied to the expenditure, there is no need to take further action. Districts should ensure they do not request more than they have incurred in expenditures under this option.
- ❑ Examples: Entitlement and Statewide Collaborative Improvement Grants where grant amounts are known up-front.



Expend as Federal Upfront

EXAMPLE

Step 1:

Incur and Code to Federal Account

1221-6311-02	\$15,000.00	10/10/13
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Step 2:

Request and Receive Funds

Payment Request	\$15,000.00	11/21/13
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Journal Voucher as Federal

- ❑ **Code the expenditure as a general account or state/local expenditure and request funds for that expenditure. Then, upon receipt of funds, the district would journal voucher the expenditure to a federal account within 3 days to tie the funds to a federal expenditure.**
- ❑ The district would incur the expenditure and code to the general or state/local account upfront. The district would request and receive reimbursement for the expenditure. Then, upon receipt of funds, the district must journal voucher the expenditure to the federal account since this step wasn't completed upfront.
- ❑ Examples: ECSE and HNF federal reimbursements.
- ❑ *Caution: Don't JV to personnel, equipment or purchased services over procurement threshold.



Journal Voucher as Federal

EXAMPLE

Step 1:

Incur and Code to General Account/State Funds

1111-6311 or 1280-6311	\$5,000.00	10/10/13
------------------------	------------	----------

Step 2:

Request and Receive Funds

Payment Request	\$5,000.00	11/21/13
-----------------	------------	----------

Step 3:

Journal Voucher to Recode to Federal Account within 3 Days

1111-6311 or 1280-6311	-\$5,000.00	
1280-6311-02	\$5,000.00	11/23/13



Request & Expend as Federal

- ☐ **Request funds, code as a federal account expenditure to an upcoming expenditure within 3 days of receipt.**
- ☐ The district would request funds first based on an obligated amount, receive the funds, and then code to the general ledger under a federal expenditure account. This option is not recommended unless an expenditure is a certainty or reoccurring on a regular basis, such as payroll and monthly membership dues.
- ☐ Example: Payroll, Cooperative Membership Fees



Request & Expend as Federal

EXAMPLE

Step 1:

Request and Receive Funds (Based on Obligations)

Payment Request	\$5,000.00	11/21/13
-----------------	------------	----------

Step 2:

Incur and Code to Federal Account within 3 Days

1221-6111-02	\$5,000.00	11/23/13
--------------	------------	----------



Part B Final Expenditure Report



Where Are Expenditures Reported?

- ❑ Expenditures are reported on the FER in the grant cycle for which they were obligated.
- For obligations made from FY13 budget application substantial approval date to June 30, 2013, report expenditures on FY13 FER (due September 30, 2013).



Part B Final Expenditure Report (FER)

2012-13 FER due September 30, 2013

- ❑ 2012-13 Actual Part B Expenditures (Federal)
- ❑ Actual MOE 2012-13 (Current Year) (State/Local)
- ❑ Budgeted MOE 2013-14 (Next Year) (State/Local)

Note: MOE only includes expenditures from July 1 through June 30 each fiscal year



Request for Final Payment

The FER can be the request for Final Payment.

Any amount due will be paid in the next monthly school payment after approval of the FER.

Note: Beginning with the 2010-11 FER, there will be no Part B FER revisions allowed unless there is an audit/monitoring finding or an error in the ePeGs system that directly affects the FER.



Carryover Period

Carryover period = one additional fiscal year

Rules:

- Carryover funds cannot be obligated until the LEA has a prior year FER approved and amends the current year budget application to obligate the carryover funds.
- Carryover funds that have not been obligated by June 30 of the following fiscal year will be forfeited by the LEA.



Period of Availability - Example

FY13 Grant

FY13 Allocation	FY13 Budget Application Submit Date	Amount Obligated between 7/17/12 and 6/30/13	Amount Expended from 7/17/12 to 9/30/13	Amount Reported on FY13 FER (due 9/30/13)	FY13 Carry- Over Amount
\$150,000	7/17/12	\$140,000	\$130,000	\$130,000	\$20,000



Period of Availability–Example

FY13 Grant – Carryover Period

FY14 Allocation	FY14 Budget App Submit Date	Amount Available to Obligate between 7/5/13 and 6/30/14	FY13 FER Approved	FY13 Carryover Amount	FY14 Budget App Amended	Amount Available to Obligate between 10/8/13 and 6/30/14
\$140,000	7/5/13	\$140,000	10/3/13	\$20,000	10/8/13	\$160,000

Remember to amend the 2013-14 Part B budget once the 2012-13 FER is approved to refresh data:

- Proportionate Share (if applicable)
- 2012-13 Part B carryover (if applicable)



Example 1 – FY13 Grant

LEA signed a contract on May 15, 2013 for renovation work to the Special Education classroom, but the work on the classroom didn't begin until July 15, 2013. Because the obligation is made on the date the LEA made a binding written commitment to obtain the work (May 15, 2013), the LEA can report any invoices paid for the work done from July 15 to Sept. 30, 2013 on the FY13 FER.



Example 2 – FY13 Grant

Special Education teacher paid with federal funds taught classes in June and July, 2013. The work performed in June would be paid with FY13 grant funds and the expenditure reported on the FY13 FER. The work performed in July would be paid with either FY13 carryover funds (if sufficient) or FY14 grant funds and the expenditure reported on the FY14 FER (recommended).

- ❑ Remember – for personal services by an employee of the LEA, the obligation begins when the work is performed.



Cross Divisional Business Rules

Effective July 1, 2011



Business Rules – All DESE Offices

- ❑ Budget Application – Due July 1 (no back-dating)
- ❑ Budget Amendments will not be allowed after April 30th without DESE approval
- ❑ Fewer Function Codes (will have descriptors)
- ❑ Final Expenditure Report (FER) – Due September 30 (no amendments)
- ❑ Once FER is submitted the rest of the system will shut down (no payment requests or budget amendments for that school year)



Business Rules – continued

- ❑ If the LEA fails to submit the prior year FER by the required due date; any future Payment Requests will be held until the prior year FER is submitted in an approvable format.
- ❑ Payment Requests – Due 11:59 pm on 1st of the month (indicate cumulative expenditures on payment requests)
- ❑ Payment requests through June, July, Aug, and Sept (payment transmittals will indicate current year since budget cycles will overlap)
- ❑ Overpayments/CMIA – LEAs must return and calculate interest on all overpayments
- ❑ No book transfers on overpayments (trans ins/trans outs)



Schoolwide Pooling



Purpose of Schoolwide

The underlying purpose of the schoolwide approach is to enable schools with high numbers of at-risk children to integrate the services they provide to their children from Federal, State, and local resources.



Schoolwide Pool – Consolidating Funds

- ❑ Treat funds like a “single pool of funds”
- ❑ Lose individual program identity
- ❑ School has more flexibility
- ❑ Supports any activity of the schoolwide program without regard to which program contributed the specific funds used for a particular activity (e.g. purchasing materials, paying teachers salaries)



Schoolwide Pool – Part B Requirements

- ❑ LEAs may use Part B IDEA (611) funds for any activities under its schoolwide program plan.
- ❑ Must comply with all IDEA requirements to the same extent as it would if it did NOT consolidate Part B funds in the schoolwide program.

This is for both fiscal and compliance related requirements.



Schoolwide Pool – Funds NOT Allowed

Federal funds that may NOT be consolidated into the schoolwide pool:

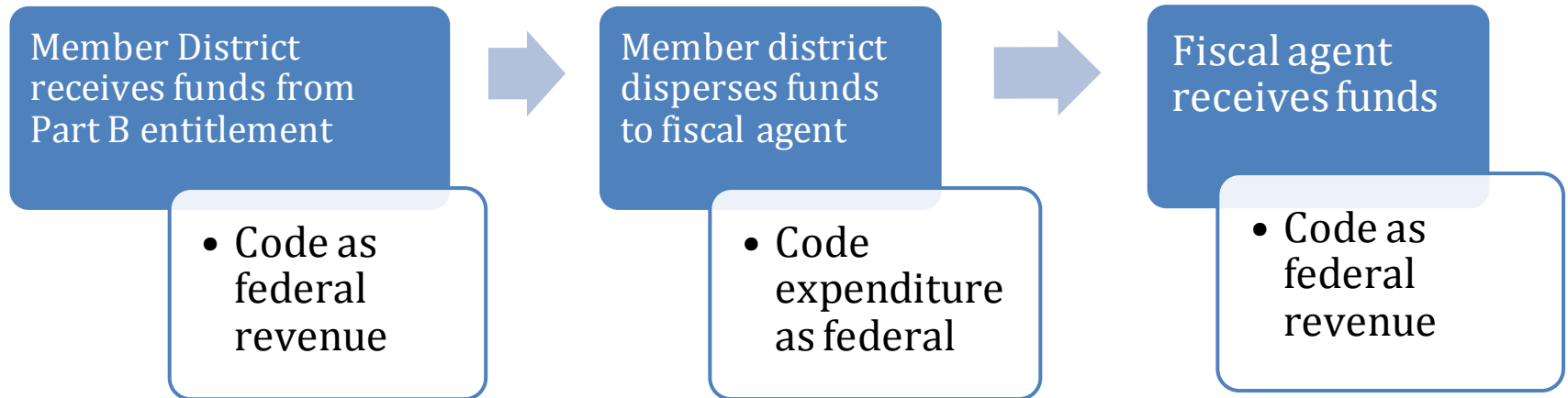
- ☐ Proportionate Share funds
- ☐ LEAs with significant disproportionality may not pool 15% set aside for CEIS
- ☐ Early Childhood Special Education (619) funds



Cooperatives



K-12 Cooperatives



- ❑ Payments for expenditures must be based on expenditures incurred to date, or expenditures that will incur within three days of receipt of the funds (per the CMIA).
- ❑ Refunds to a fiscal agent or member district must follow the guidance in the Refund and Reimbursement policy located on the School Finance Topics and Procedures page. Refunds not expended within three days must be returned to DESE so as to not draw interest.



ECSE Cooperatives

- ❑ Majority of the funds are State money and ECSE Cooperatives should not exchange federal funds.
- ❑ Fiscal agent of an ECSE Cooperative incurs all costs associated with the operation of the Coop until they receive reimbursement.
- ❑ Fiscal Agents must complete the ECSE Expenditure Report (due September 17 of every year) to request reimbursement from DESE.
- ❑ Fiscal Agents are not allowed to collect any fees from member districts for expenditures that are reimbursable by the State.
- ❑ If ECSE Coop decides to switch the fiscal agent to another district in the Coop, the original fiscal agent district would continue to receive payments the year after any closure/change in the fiscal agents since reimbursement is a year behind.
- ❑ If an ECSE Coop disbands/dissolves, any tangible equipment/supplies/materials purchased with ECSE funds will be kept with the fiscal agent that incurred the upfront cost of the item(s).



Special Purpose Funds



Special Purpose Funds

Fund	Who For	Reimbursement Formula/Payment
High Need Fund (Application due November 30)	Any student with a disability, regardless of placement, whose educational costs exceed 3 times the Current Expenditure per ADA.	Educational Costs for Student - <u>3x Current Expenditure per ADA</u> = Reimbursement Amount
Public Placement Fund (Application due October 31)	IEP and non-IEP students placed into a non-domicile district by DFS, DYS, DMH or a Court.	Reimbursement Formula: Educational Costs - <u>Revenues</u> = Reimbursement Amount (may be Prorated)
Readers for the Blind (Application due November 30)	Provides assistance to school districts to employ a reader for a blind student.	Payment is limited to \$500 per student. May be prorated if more readers than funds available.

Local Tax Effort Billbacks (LTE)



Local Tax Effort (LTE)

Local tax effort (billback) is applicable when a district is educating a non-domicile student placed by Department of Mental Health, Department of Social Services or a court of competent jurisdiction.

Domicile is where the parent(s)/legal guardian(s) reside.

Districts may bill the domicile district when educating non-domicile students, and may receive bills in the opposite situation.



Early Childhood Special Education



ECSE

Early Childhood Special Education (ECSE) provides 100% funding of approved costs for special education students ages 3, 4 and 5, but not yet kindergarten eligible.

ECSE Resources

<http://dese.mo.gov/divspeced/Finance/ecseindex.html>



Expenditure Guiding Questions

Is this a cost that has to occur for the ECSE program to exist?

The answer must be YES.

Is this the most cost effective way to provide this service/program?

The answer must be YES.

Is this an expenditure our district would have even if we did not have an ECSE program?

The answer must be NO.



ECSE Caseloads

Position / Full Time Equivalent	Caseload / Class Size
Teacher of Center Based Self Contained Classroom	12-22*
Teacher of Integrated Classroom (formerly referred to as Reverse Mainstream. At least half of the children must have an IEP/qualify for ECSE)	12-22*
Itinerant Teacher (teachers who move from class to class within a facility or travel to other facilities).	12-22
Teacher of Severe/Low Incidence Classrooms	4-12*
Paraprofessional in ECSE Centerbased Self Contained Classroom or Integrated Classroom	12-22*
Paraprofessional in ECSE Severe/Low Incidence Classrooms	4-12*
Diagnostic Staff – for each position	160
Related Services Staff Employed by District (Occupational Therapist, Physical Therapist, Speech Therapist)	35-50
ECSE Dedicated Program or Process Coordinator (Administrator)	180
ECSE Secretary	180
Nurse (FTE can be increased if additional nursing needs are specifically addressed in IEPs).	175
Social Worker	
General	175
Diagnostic	160
Related Services	35-50

*Based on two half day sessions.



ECSE Expenditure Report (ER)

- ❑ Due September 17
- ❑ All ECSE staff and expenditures claimed in the expenditure report are compared to Core Data and the ASBR. Districts are allowed a \$500 variance between the ASBR and ER. All data (Educator Data, December 1 Child Count, ASBR) must be accurate and submitted on time in order for the data to pull correctly onto the ER.
- ❑ See ECSE Expenditure Guide for step-by-step instructions



Expenditure Report (ER)



▼ User Applications

▼ Administrative and Financial Services

- ▷ Annual Report of the County Clerk to the State Board of Education
- ▷ Annual Secretary of the Board Report - Charter
- ▷ Annual Secretary of the Board Report - District
- ▷ School Finance Menu

▷ Career Education

▼ Cross-Divisional Systems

- ▷ ePeGS

▼ School Improvement

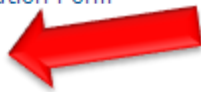
- ▷ Federal Grants Application
- ▷ Federal School Improvement Plan/Application
- ▷ Federal Schoolwide Commitment Form and Plan
- ▷ Federal Title I LEA Plan
- ▷ Gifted Application
- ▷ LEP - 2005-2006 for SY04-05
- ▷ LEP - 2006-2007 for SY05-06
- ▷ Nonpublic Registration Form

▼ Special Education

- ▷ Early Childhood
- ▷ Part B Application

▼ Report

- ▷ Report Menu
- ▷ Logon/Logoff



Email: webreplvafsit@dese.mo.gov

Current User: DESEPUBLIC

Fiscal Monitoring

Tiered Monitoring Process and Cohort Listing

<http://dese.mo.gov/ls/index.html>



Tiered Monitoring

❑ Department-wide

Purposes

- Increase the number of LEAs given some formal review
- Improve quality and efficiency of on-site reviews
- Improve the quality of LEA/building compliance
- Establish processes to target compliance TA/training needs



Tiered Monitoring

Consists of four components:

1. Desk Audit – Department review of LEA's applications, payment requests, and FERs through ePeGs.
2. Desk Monitoring – Self-monitoring report through Federal Monitor System; allows for upload of requested documentation.
3. On-site Monitoring – Onsite review at LEA based on high risk characteristics determined by Department.
4. Phone Monitoring – Consistent with on-site monitoring; follow-up to prior year on-site review.



Tiered Monitoring

❑ Possible Risk Factors for On-site review

- Late Budget Applications
- Placed on Cash Management Plan (must submit documentation with payment request)
- Allocation Amounts
- Carry-over Amounts
- Late FERs
- A133 Audit Findings
- Financial distress



Tiered Monitoring Timeline

Task	2013-14	2014-15	2015-16
Desk Audit	Cohorts 1,2,3	Cohorts 1,2,3	Cohorts 1,2,3
Desk Monitoring (Federal Monitor System)	Cohort 3	Cohort 1	Cohort 2
On-site /telephone (Federal Monitor System)	Cohort 2- Selection of LEAS for on-site and telephone	Cohort 3- Selection of LEAs for on-site and telephone	Cohort 1- Selection of LEAs for on-site and telephone
Clean-up	Cohort 1	Cohort 2	Cohort 3

Top Monitoring Findings

- ❑ Federal expenditures not tracked separately
- ❑ MOE documentation
- ❑ No inventory/tracking of equipment
- ❑ No certification/logs for federally paid employees
- ❑ Obligations prior to budget applications
- ❑ CMIA / Cooperatives
- ❑ Capital Outlay Requirements



Helpful Resources



Resources

☐ General Federal Guidance

- EDGAR – Education Department General Administrative
- OMB Circulars

<http://dese.mo.gov/fas/GeneralFederalGuidance.html>

☐ DESE Accounting Manual (School Finance)

http://dese.mo.gov/divadm/finance/acct_manual/

☐ Individuals with Disabilities Education Act (IDEA) Regulations

<http://www2.ed.gov/legislation/FedRegister/finrule/2006-3/081406a.pdf>

☐ MO State Plan for Special Education

<http://dese.mo.gov/se/stateplan/index.html>



FY14 Due Dates

Title	Services Year	Due Date
FY14 Part B Budget Application	2013-14	July 1, 2013
FY13 ECSE Expenditure Report	2012-13	Sept. 17, 2013
FY13 Part B FER	2012-13	Sept. 30, 2013
Public Placement Fund Application	2012-13	Oct. 31, 2013
High Need Fund Application	2012-13	Nov. 30, 2013
Readers for the Blind Application	2013-14	Nov. 30, 2013
Request to Release Prop Share Carryover Funds	2013-14	March 1, 2014
FY14 Part B Budget Application Amendments	2013-14	April 30, 2014